

FIRST REGULAR SESSION

SENATE BILL NO. 299

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR GRIESHEIMER.

Read 1st time February 3, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

1608S.011

AN ACT

To repeal sections 393.275 and 393.1012, RSMo, and to enact in lieu thereof two new sections relating to gas corporations.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 393.275 and 393.1012, RSMo, are repealed and two
2 new sections enacted in lieu thereof, to be known as sections 393.275 and
3 393.1012, to read as follows:

393.275. 1. The commission shall notify the governing body of each city
2 or county imposing a business license tax pursuant to section 66.300, 92.045,
3 94.110, 94.270 or 94.360, RSMo, or a similar tax adopted pursuant to charter
4 provisions in any constitutional charter city with a population of at least three
5 hundred fifty thousand inhabitants which is located in more than one county, on
6 gross receipts of any gas corporation, electric corporation, water corporation or
7 sewer corporation of any tariff increases authorized for such firm doing business
8 in that city or county if the approved increase exceeds seven percent. The
9 commission shall include with such notice to any city or county the percentage
10 increase approved for the utility, together with an estimate of the annual increase
11 in gross receipts resulting from the tariff increase on customers residing in that
12 city or county. The provisions of this subsection shall not apply to rate
13 adjustments in the purchase price of natural gas which are approved by the
14 commission.

15 2. The governing body of each city or county notified of a tariff increase
16 as provided in subsection 1 of this section shall reduce the tax rate of its business
17 license tax on the gross receipts of utility corporations. Within sixty days of the
18 effective date of the tariff increase, the tax rate shall be reduced to the extent

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

19 necessary so that revenue for the ensuing twelve months will be approximately
20 equal to the revenue received during the preceding twelve months plus a growth
21 factor. The growth factor shall be equal to the average of the additional revenue
22 received in each of the preceding three years. However, a city or county may
23 maintain the tax rate of its business license tax on the gross receipts of utility
24 corporations without reduction if an ordinance to maintain the tax rate is enacted
25 by the governing body of the city or an order to maintain the tax rate is issued
26 by the governing body of the county after September 28, 1985. The provisions of
27 this subsection shall not apply to rate adjustments in the purchase price of
28 natural gas which are approved by the commission **and such purchased gas**
29 **adjustment rates shall include the gas cost portion of net write-offs**
30 **incurred by the gas corporation in providing service to system sales**
31 **customers upon the filing and approval of new rate schedules**
32 **applicable to such customers. Such rate schedules shall be designed to**
33 **simultaneously decrease the gas corporation's base rates and increase**
34 **its purchased gas adjustment rates by like amounts so as to reasonably**
35 **ensure that the gas cost portion of the net write-offs applicable to such**
36 **customers, as such portion is determined by the commission, is only**
37 **being recovered once through the gas corporation's purchased gas**
38 **adjustment rates. Increases and decreases in the gas cost portion of net**
39 **write-offs shall thereafter be reflected in the gas corporation's**
40 **purchased gas adjustment rates under tariff provisions approved by the**
41 **commission provided, however, that such tariff provisions shall:**

42 **(1) Limit increases or decreases in the gas cost portion of net**
43 **write-offs as reflected in purchased gas adjustment rates to once each**
44 **year;**

45 **(2) Require a true-up of the gas cost portion of net write-offs as**
46 **reflected in purchased gas adjustment rates one each year; and**

47 **(3) Require commission review of the gas cost portion of net**
48 **write-offs as reflected in purchased gas adjustment rates once each**
49 **year to insure that the gas corporation is prudently pursuing collection**
50 **of amounts owed by its customers.**

393.1012. 1. Notwithstanding any provisions of chapter 386, RSMo, and
2 this chapter to the contrary, beginning August 28, 2003, a gas corporation
3 providing gas service may file a petition and proposed rate schedules with the
4 commission to establish or change ISRS rate schedules that will allow for the

5 adjustment of the gas corporation's rates and charges to provide for the recovery
6 of costs for eligible infrastructure system replacements. The commission may not
7 approve an ISRS to the extent it would produce total annualized ISRS revenues
8 below the lesser of one million dollars or one-half of one percent of the gas
9 corporation's base revenue level approved by the commission in the gas
10 corporation's most recent general rate proceeding. The commission may not
11 approve an ISRS to the extent it would produce total annualized ISRS revenues
12 exceeding ten percent of the gas corporation's base revenue level approved by the
13 commission in the gas corporation's most recent general rate proceeding. An
14 ISRS and any future changes thereto shall be calculated and implemented in
15 accordance with the provisions of sections 393.1009 to 393.1015. ISRS revenues
16 shall be subject to a refund based upon a finding and order of the commission to
17 the extent provided in subsections 5 and 8 of section 393.1009.

18 2. The commission shall not approve an ISRS for any gas corporation that
19 has not had a general rate proceeding decided or dismissed by issuance of a
20 commission order within the past **[three] five** years, unless the gas corporation
21 has filed for or is the subject of a new general rate proceeding.

22 3. In no event shall a gas corporation collect an ISRS for a period
23 exceeding **[three] five** years unless the gas corporation has filed for or is the
24 subject of a new general rate proceeding; provided that the ISRS may be collected
25 until the effective date of new rate schedules established as a result of the new
26 general rate proceeding, or until the subject general rate proceeding is otherwise
27 decided or dismissed by issuance of a commission order without new rates being
28 established.

✓
Copy